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Memorandum

TO: work2future Executive Committee

FROM: Jeff Ruster, Executive
Director, work2future

SUBJECT: FY 09/10 Budget Update and
Proposed Stimulus Funding
Allocations

DATE: February 19, 2009

INFORMATIONAL

Background

The U.S. House of Representatives and the Senate agreed yesterday on the Federal Stimulus Package. This memorandum presents a proposed work2future budget and related spending plan for the Adult and Youth program stimulus funding.

At this time, we have not received formal notice of our allocations. However, given the limited timeframes for obligating and spending these monies, staff is bringing forward this preliminary budget and plan in order to inform and engage the Board and committees members in the proposed use of the stimulus funds, with the ultimate objective of expediting implementation of received funding.

This structure of the proposed budget and spending plan is consistent with the discussion at the February 2009 work2future Operations Committee meeting where committee members provided guidance to staff to bring iterative budgets, based on best information available, to subsequent committee meetings and, in light of limited timeframes to obligate and spend these resources, to emphasize current delivery strategies, including current client service packages, contractors, and staffing patterns.

Based on the discussion at the February Executive Committee meeting, staff will bring forward as an action item a proposed budget and spending plan for approval at the February Youth Council Meeting, and then at the March Finance Committee and Board Meetings.

A key component of the Federal Stimulus Package is to create jobs and prepare the workforce for careers. The Federal package includes \$1.2 billion for Youth, \$1 billion for Dislocated Worker and \$500 million for Adult Programs. An additional \$750 million of Federal WIA Stimulus Funds will be allocated through a competitive process to support high-growth initiatives.

The information provided herein centers exclusively upon work2future's anticipated Stimulus Funding formula allocations.

Youth Budget and Spending Plan

Based on its current local allocation of WIA Youth formula funds, work2future anticipates it would receive \$4,896,728. Attachment 1 provides an overview of the proposed budget and spending plan.

These funds will support a Summer Youth Employment Program over the next two summers. An estimated 750 to 1,000 youth would be served in 2009, with an additional 250 to 500 youth served in 2010. As currently envisioned, 20% of the youth served would reside in the South County Area.

The youth served will range in ages from 15 to 24 years and will work up to eight weeks, during the summer. The program will include linking the youth with public sector employers (e.g., City, County, State, VTA and school districts) and non-profit institutions. All youth will receive 4 hours per week of work readiness training, in addition to their actual work experience. Total youth salaries for the Summer 2009 program are anticipated to be \$3,067,627.

Given the very limited timeframes to design and roll out the Summer Employment Program, staff recommends that work2future directly operate this program. To do so, work2future will need an additional 35 Temporary (Unclassified) staff, including 20 case managers, 5 workshop instructors, and additional supervisory, MIS and Fiscal support. Attachment 1 provides further detail as to the positions, proposed salaries, and proposed duration of employment. Total personnel costs would be \$829,228.

As further detailed in Attachment 1, the budget includes \$520,000 of non-personnel costs for such items as youth incentives (\$250/participant), supportive services (\$150/participant), and other expenses for supplies, printing, travel, testing materials, rentals of workstations, and equipment.

A remaining \$479,873 is unbudgeted at this time, as work2future has not yet received its final allocation. If this full amount of unbudgeted funds is in fact received, the balance will be applied to support Youth salaries and/or applied for the Summer 2010 program.

Adult and Dislocated Worker Budget and Spending Plan

work2future anticipates that based on its current allocation of local WIA Adult and Dislocated Worker formula funds, it will receive \$4,955,833. Attachment 2 provides an overview of the proposed budget and spending plan.

At the time of preparation of this memo, it is unclear as to what percentage of the stimulus funds must be applied for training. Depending on the final requirements of the authorizing legislation, the amounts presented below may be amended.

With the above-referenced anticipated allocation, work2future would serve 1500-2000 Adults and Dislocated workers through September 30, 2010. As detailed in Attachment 2, to support this program work2future would hire an additional 20 Temporary (Unclassified) staff. These

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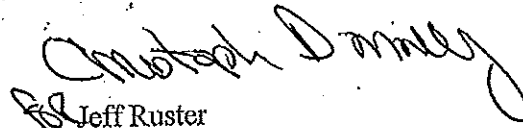
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positions include talent coaches, welcome team members, job developers, MIS, Fiscal, and other supervisory and support staff. Total personnel expenses would be \$1,677,803.

Regarding client-related services and non-personnel expenses, \$1.25 million would be applied for training via the ETPL, customized and on-the-job training, \$692,500 for workshops, \$200,000 for supportive services, \$400,000 for needs-related payments, with the remaining balance applied for other expenses, including marketing, materials, printing, information technology, and support for the Geomapper. Total non-personnel expense is budgeted at \$2,897,500.

There is a remaining balance of \$380,470 to account for variations in work2future's preliminary budget allocations versus the pending final allocations. If the full amount is received, the remaining \$380,000 will be dedicated for client-related services.


Jeff Ruster
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cc: Paul Krutko
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